

OF AMARTYA SEN AND GROWTH FETISH

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Nobel prize-winning economist Amartya Sen is arguably India's pre-eminent intellectual, and has long been in high demand throughout the world as a graduation speaker, conference participant and interviewee. He earned his name by promulgating economic theories with a pro-poor bent. In fact, it was his argument that development cannot be measured by growth in per-capita income alone that finally compelled the World Bank to formally adopt the Human Development Index, which takes into account a wide variety of quality-of-life factors in determining a country's overall welfare. Sen was also the first to proffer that malnutrition among Indian girls was a form of systematic discrimination, and also that famines are not a result of overall food shortage so much as resulting from declines in incomes. Without his theorising, public thought would still conclude that poverty in India is caused merely by its large population.

Sen's liberal, humanistic contributions to economics, a field many see as congenitally conservative, have been so widely discussed, and appreciated, that his recent pronouncements about the political economy of land acquisition for industrialisation in India have come as a rude surprise to many. In an interview in *The Telegraph* in late July, against the backdrop of the uprisings in Singur and Nandigram, Sen posited that the state had the right to seize the land of farmers and hand it over to corporations. "When people move out of agriculture, total production does not go down. So per-capita income increases," he explained. "For the prosperity of industry, agriculture and the economy, you do need industrialisation. Those in effect preventing that ... do not serve the interest of the poor well."

Besides the fact that a reputed socialist, one who has repeatedly ridiculed the theory of trickle-down economics, suddenly appeared to be an apologist for rich industrialists, there was a certain disingenuousness in Sen's remarks. India's (measured) per-capita income has indeed increased over the last 60 years, and millions of Adivasis and Dalits have indeed been displaced from agriculture. But, as activists such as Medha Patkar and Arundhati Roy have ably documented, the interests of these same rural displaced have hardly been well served; in fact, their standard of living has declined. Sen also failed to highlight the fact that government subsidies are often behind industrialist successes.

Sen is equally naive in thinking that if industrialisation does indeed cause government revenues to soar, that this money will inevitably be allocated towards services for the poor. He sanguinely declares that the market economy "creates jobs and if income goes up, government revenues go up, so there is money available for education and healthcare and other things." But who is to say that those "other things" will not be primarily the ballooning of military budgets, for instance? Health and education in India have not received short shrift over the past half-century due merely to a lack of funds.

Sen's claim suggests that he, like many other economists, suffers from the 'growth fetish', by assuming that economic growth necessarily leads to better

quality of life. They are wrong. Reported increases in a country's gross domestic product do not improve the welfare of its ordinary citizens to the degree normally believed; in many cases, they are actually portents of decline. One can hardly celebrate, for example, a rise in GDP attributable to growth in the medical industry founded on a rise in the incidence of respiratory disease due to pollution. Another problem with assuming that a high GDP reflects public well-being is that economic growth often widens disparities between the rich and poor, and that such inequity in turn fuels rising crime rates. A country forced to spend more money on policing its population, after all, sees few of the benefits of economic prosperity.

A serious problem with using GDP as a measure of human welfare in India, or any other country with a huge, non-monetised subsistence economy, is that economic losses associated with industrialisation fall outside the purview of measurement. No indicator reveals, for example, the economic contributions of the Adivasis who live on the forest products they gather, or the fisherfolk who trawl the coastline for their dinner, or the small-scale farmers who consume all the grain they harvest. And no indicator will reveal the degree of economic disaster inflicted upon them when corporate giants are allowed to chop down forests, pollute rivers and buy up farmland. Yes, the government will proudly tout the thousands of jobs that an industry set up in a special economic zone (SEZ) may create, but it will conveniently forget to mention the thousands of livelihoods lost. And, of course, no cost-benefit study will even consider the cultural loss of a traditional way of life.

Like the policymaking elites in government, Sen, in advocating land acquisition for industrialisation, is repeating and compounding the errors made by British colonialists. Yet again, the state is failing to adequately consider existing local subsistence economies, and instead is arrogantly imposing on them the 'modern economy'. Industrialists should not kid themselves that they are building on empty spaces: they are stealing someone else's space, with the government's complicity. Under the rhetoric of progress and economic development, colonial-era-style crimes are being enacted in full view of the public.

' D O N K E Y R I D E S ' U P O N T H E P O O R

In the *Telegraph* interview, after weakly arguing that industrialisation will "serve the interests of the poor", Sen attempted to further his case for land acquisition through a misplaced appeal to nationalistic fervour. He declared that "Bengal was one of the major industrial centres in the world, not only in India," and then drew on the likes of Ptolemy, Pliny the Elder and Fa-Hien to suggest that that former glory could be restored through present-day industrialisation.

But the validity of such ancient wisdom in today's context is seriously suspect. That was then, and this is now. How could the Mediterranean traders in India, about whom Ptolemy wrote during the first century, have looked ahead to India's billion-strong population and its needs – of energy-water and other resource-intensive industrial processes, of mercury, lead and arsenic poisoning and other environmental crises? And how would restoring Bengal to some imagined pristine state of industrial greatness benefit the poor of today? Surely Sen's

criticism that farmers protesting in Singur are going against “the 2000-year history of Bengal” is founded on a maudlin misconception of what a modern industrial Bengal would be.

What Sen also fails to acknowledge is that nationalism can be outright nefarious. A century ago, Rabindranath Tagore denounced all forms of nationalism as intrinsically harmful to civilised humanity: “The fierce self-idolatry of nation-worship,” he warned, is “not the goal of human history”. He reminded people that they are more important than the state, and that they must not sacrifice themselves to its interests: “With the growth of power, the cult of the self-worship of the Nation grows in ascendancy, and the individual willingly allows the Nation to take donkey-rides upon his back.” One of the evils of nation worship, Tagore points out, is the “interminable competition” that ensues as one nation “goads all its neighbouring societies with greed of material prosperity, and consequent mutual jealousy, and by the fear of each other’s growth into powerfulness”. Sen, in his promotion of India’s greatness through industrialisation, seems to have forgotten Tagore’s warning.

In his faith in industrialisation, Sen has also forgotten the wisdom of another Indian great. His worldview leaves no place for Gandhi’s “last man”, who will vainly wait for the state to build a primary healthcare centre or a school for his children with the wealth it earns from the industries it subsidises on his land, forcibly taken “in his best interests”.

Sen’s support for land acquisition is an unjustifiable betrayal of the fundamental tenets of economics. If the market economy is working as it should, and both buyers and suppliers are acting rationally, there should be no need for such song and dance about land acquisition in the first place. There is no call for the state to assume that Indian farmers cannot be relied on to sell their land at fair prices. If the failure of a free market in land is the result of a dearth of information, farmers should be provided with relevant data and projections. Then the market should be free to roll out the results.

Perhaps Sen and the state feel threatened by the very real possibility that poor farmers, if given a chance, would refuse to sell (read: surrender) their land. What would Sen have to say, for instance, to the woman who came to Delhi last December to register her protest, one arm in bandages after a brush with the police while she was trying to harvest the paddy crop from her own field in Singur? Logically, Sen would have to maintain that such people stand in the way of their own prosperity by not allowing what would be in their own greater long-term interest.

Any thought that resistance is based on sound economic rationalism is one that Sen seems to prefer not to consider. He observes that “prohibiting the use of agricultural land for industries is ultimately self-defeating”, and points to history to cement his argument: “Industry has always competed against agriculture because the shared land was convenient for industry for trade and transportation ... there is no way in which you will be able to avoid industrialisation around Calcutta, any more than you could have avoided it in London, Lancashire, Manchester, Berlin, Paris, Pittsburgh.” In other words, Sen suggests, Indians should repeat the industrial blunders of the developed world – blunders that

have brought the world to the brink of an environmental precipice. India would do well to choose a better role model.

Besides, there is an alternative to the European and American way, one which Sen does not take seriously enough. Rural, small-scale, low-impact sustainable industrialisation can, consensually, improve the lot of the poor, not to mention the lot of the environment. Deforestation, desertification, the groundwater crisis, climate change, the melting of glaciers, the growing incidence of floods – these are all results only of the sort of industrialisation that requires a state to seize the lands of its people.

NO GREENER PASTURES

That the surge in the number of suicides among Indian farmers after 1990 might be the desperate act of men caught in the bind of rising costs and falling prices for agricultural output is a possibility about which Sen remains silent. However, it is likely that, in the interests of multinationals greedy to control India's enormous food market, Western-engineered policies, unfavourable to small and marginal Indian farmers, are rubber-stamped by New Delhi. But Sen refuses to contemplate such interpretations: "There is no strategic planning—conspiracies—even at the highest levels of corporate establishments. All that's wrong with the world is either due to market imperfections or because markets have not been allowed to function smoothly."

In so casually allowing arable land to be converted, Sen is also blithely impervious to what should be a genuine concern for India: *national food security*. In a world of trade, Sen argues, this concern is a "fetish". His position not only defies economic rationality, but also lacks cultural sensitivity: fossil-fuel-based sea transport grows more expensive by the day, and local diets are already under threat from the McDonalds of the world. It is hardly ecologically sound, either. Certainly, with today's technological wonders, foods can be grown in previously impossible regions, but why jeopardise biodiversity just to turn a profit? To dismiss the importance of self-sufficiency in food supplies is foolish. Sen should take a lesson from Western countries, which, sobered by the memory of wartime shortages, zealously ensure their self-sufficiency in food.

The displaced poor do not find a better life in the industries that displace them—or anywhere else, for that matter. It is a rare 55-year-old Telangana farmer indeed who can take calls from an angry client in Boston. The skills demanded by modern industry or in urban centres are simply not those that farmers have to offer. Even if they did qualify for the grade of employment being tendered, there are very few jobs available in the first place.

In fact, the sorts of transitions from agriculture into industry that Sen and other economic pundits seem to expect are hardly realistic. When Europe industrialised and millions moved away from rural occupations, both the skilled and the unskilled alike were easily absorbed into urban factories. As historian Eric Hobsbawm observed about Scandinavia, the colonies served as sinks for the surplus: "After the middle of the 19th century their hardship [of the unemployed rural poor] led to what was proportionately the most massive of all the century's movements of emigration, mostly to the American Mid West."

Conditions for India today could not be more different. There are no lands of opportunity to colonise, no colonists to force anyone to buy certain products. But

there are pressing environmental constraints, as well as numerous restrictions on free trade. Besides, even a casual consideration of the Indian economy, such as the *Economic Survey of 2007*, reveals that things are not all that bright on the job market. In 2004, the last year for which reliable data is available, total employment in the public and private sectors of the formal economy was just 26.4 million, out of a total workforce of 430 million; employment had actually dropped by 0.3 million since the liberalisation of the economy in 1991. In 13 years, the formal private sector managed to provide jobs to just 600,000 more people. These days, even while a lakh, two or even five lakh new jobs may be created every year, the workforce is increasing by 10-14 million during the same time period. So much for the displaced farmer's hopes for a job in the formal economy!

Blame for India's bleak employment picture lies with modern industrial technologies, which, since they evolved in labour-scarce, capital-rich countries, render ever-larger numbers of workers redundant. The average Tata steel plant, for example, produces five times more steel today than it did in 1990, with just half the number of workers. And industrial productivity in India as a whole has quadrupled—even quintupled—though the labour force is roughly the same as it was a decade and a half ago. Is it possible for India to industrialise using some other sort of technology? Maybe not. After all, if low-cost, appropriate or sustainable technologies were adopted, India might founder in a global tide of high-quality competition.

Though Sen is wrong in assuming industrialisation to be the answer to India's unemployment problem, a rural-employment guarantee scheme may be just such a solution. Unless something is done about the growing number of unemployed and disaffected youth, urban violence, political extremism and caste, ethnic and communal tensions are likely to continue to grow. Rather than subsidise rich industrialists with criminal land acquisition, the government would do better to look realistically to the poor.

CORPORATE TOTALITARIANISM

Though Sen sings paeans for democracy, he seems to be unmindful of the fact that the land-acquisition policy he supports is a form of tyranny that denies the poor their fundamental rights. To observe indignantly, as he does, that the protests in Singur against the seizure of land go “against the policy of the West Bengal government” borders on the ridiculous. What is a protest in a free democratic state such as India if not a protest against the government? The people at large have as much right to register their complaints publicly as do the bhadralok in power and their industrial giant cronies.

Why the poor are ignored has to do with the characteristics and aims of all modern states that are modelled on the European pattern. They are primed for war and economic growth. Growth leads to material power, not necessarily to desirable development. An economy rooted in agriculture can assure everyone a decent life, but it will not support a rapacious victor, especially in a world where international tension is being continually ratcheted up by the growing availability and sophistication of lethal weaponry. After all, it takes sophisticated industry to win wars in modern times. Mere food supplies did not even win small battles in the days of Alexander.

In addition to its fondness for external predation, every modern nation state is also ruthlessly competitive within. In such a society, few question when a government forces farmers to relinquish their land – with or without the excuse that it is for their ‘own good’. Few questions are also raised when entire ways of life are laid to waste in order to make way for the factories, supermarkets and expressways that are assumed to constitute ‘progress’.

No modern state has ever industrialised without violating the inalienable rights of its people. At the time of the Industrial Revolution, the peasants certainly did not throng to the mills that William Blake reviled as “satanic”. Rebellions and peasant insurrections were common in Britain and Europe between 1500 and 1800. Enclosure was decidedly unpopular, and Enclosure Acts were often passed in defiance of the edicts of the Church itself. Historian Christopher Hill describes the enclosures that took place during the 17th century in this way : “the royal policy ... involved disrupting a way of life, a brutal disregard for the rights of commoners.” About the England of a century and a half later, Eric Hobsbawm notes the same sort of oppression: “The Poor Laws of 1834 were designed to make life so intolerable for the rural paupers as to force them to migrate to any jobs offered.” And the historian E P Thompson neatly sums up both views: “Enclosures were a plain enough case of class robbery.”

Tyranny was not just a British phenomenon. Stalin, for one, was ruthless in forcing Russian kulaks to collectivise their farms so that workers could be freed up for his ambitious plans for industry, and food surpluses could be shipped to the cities to feed industrial workers. Mao treated the Chinese peasantry no better in his Great Leap Forward to industrial communism. In short, the ‘standard experience’ of industrialisation and the resultant economic growth—to which Sen refers repeatedly in his interview—rests on markedly undemocratic practices. It also results in great misery, even death, for the rural poor. To sustain an economic and political war beyond its borders, a modern country also wages war within. How obtuse of Sen to try to reassure the people that “the prosperity of the peasantry in the world always depends on the number of peasants going down.”

As India’s Special Economic Zones Act of 2005 makes clear, the SEZ strategy of economic growth is corporate totalitarianism in disguise. This act gives a few individuals in the private sector the power to decide the economic and political fate of large numbers of people, but does not then hold them accountable. In fact, leading jurist Upendra Baxi, deploring such attempts to rewrite laws and undermine the Constitution, describes SEZs as an exercise in “unconstitutional economics”. Why such political deviousness is necessary was explained by Nandan Nilekani of *Infosys* in an August 2006 interview : India is the first country in history to industrialise under conditions of universal adult franchise. And industrialisation, as history shows, is so much easier to accomplish under tyranny. When Britain industrialised, only propertied white men could vote; a century later, voters in America comprised the same white men—the poor were allowed, but not the Blacks. Industrialisation in the USSR and China was controlled by dictators.

There is nothing intrinsically democratic about modern industrialisation. In fact, the decision of India’s politicians to abandon democratic law in order to force the rural population to surrender its land and way of life, ostensibly to make

way for industrial prosperity and national greatness, suggests exactly the opposite. Unfortunately, India, like much of the rest of the world, is allowing China, where despotism exercises a free hand over (admittedly impressive) economic growth, to set the pace.

It is distressing that one who started his career laying bare the causes of poverty and malnutrition should seem so bent on trying to finish it off by arrogantly dispatching the poor to the dustbin of history. When a man of Sen's stature becomes an apologist for state tyranny, and publicly endorses the fleecing of the poor, his folly deserves to be exposed. Industrialisation through forced or induced land acquisition does not serve the interests of any poor people, least of all those in India. □□□